



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

June 14, 2017

D2017-07

TO: District Agricultural Association – CEOs

SUBJECT: Compliance Audits

In fiscal year 2015/2016, the network of California Fairs received General Fund allocation support for class size I to IV+. Monies were also allocated to fund a California Department of Food & Agriculture (CDFA) compliance auditor position to ensure District Agricultural Associations (DAAs) are adhering to state rules, laws, regulations, directives, policy, and internal control procedures. The compliance audit is part of the CDFA's oversight function [Business & Profession Code 19620 section 3] and does not take the place of the annual financial audit/review. The financial audit/review will still need to be performed on an annual basis and the final report will need to be submitted to the Fairs & Expositions Branch. The DAAs do not have to pay CDFA for the compliance audits to be performed.

The compliance audit will focus on the previous operating year; however the timeframe may expand depending if there are any significant findings during the audit. The compliance audit will consist of five days of fieldwork for smaller to medium size DAAs and up to two weeks for larger DAAs. The audit fieldwork may take also take longer depending on the condition of available records.

The compliance audits are scheduled to begin in fall 2017. If you would like to volunteer for a compliance audit please let me know by **July 14, 2017**. It is anticipated that the compliance audits will start with those DAAs in the "Fairs on the Watch" program along with any DAAs that volunteer. The remaining DAAs will follow until all DAAs have completed a compliance audit.

The compliance auditor reports directly to the CDFA Audit Office and will follow a prescribed audit process that includes an engagement letter, fieldwork, an exit interview, and a final report. The compliance auditor will be contacting DAAs well in advance to ensure staff is available and to give the DAAs enough time to prepare.

If you have any questions regarding the compliance audit program, or would like to volunteer, please feel free to contact me at [John.Quiroz@cdfa.ca.gov](mailto:John.Quiroz@cdfa.ca.gov) or (916) 900-5025.

Sincerely,

John Quiroz  
Branch Chief

